THE INFLUENCE OF HUMAN BEHAVIOR ON COMPANY GOALS AND RESULTS CASE STUDY OF A CONSULTING FIRM.

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ABSTRACT

Much time and effort has gone into research on workers' behavior and motivation in the organizational context. Several studies have pointed to human behavior as an important factor (assisting or impeding) companies' ability to achieve their aims and succeed in the business environment. Although this fact is well known and widely discussed, there are few examples of practitioners taking substantive actions in terms of using these elements to trigger implementation of strategic plans and pursue higher levels of profitability (Casado 2002).

In view of the typical characteristics of service-sector business (intangibility, heterogeneity, inseparability, perishability) employee behavior becomes crucial. Customer perception of quality in services is almost totally based on the service provider's performance. Customer-orientation is an individual-level construct that is crucial for service industries, since their ability to be market oriented depends on this approach. (Brown, T. et al., 2002.)

This article applies the case study method (defined by Yin [2001] as an empirical investigation of a contemporary phenomenon in its real context) to a single case in which we see the impact of service worker behavior on the process of implementing a customer-orientated strategic plan in a consulting company.

The results showed resistance to cultural change - which is seen as a typical feature of this professional community (lawyers) - combined with inappropriate leadership style and actions having a negative impact on the performance of an entire service team. The upshot was that the company wasted a one-year-investment. The customer-orientation project had to be redesigned and the plan redefined.

The main contribution of this study is to enlarge comprehension of the importance of observing and considering workers behavior as a strategic resource in achieving results and also in creating and building up competitive advantage, specially in service business.

1 – LITERATURE REVIEW

1.1. Introduction

"Motivation for work is a psychological state of availability or willingness to pursue a goal or accomplish a task" (Maximiano, 1995, p.318).

Indeed, human behavior and motivation are discussed extensively in the context of organizations since the latter are based on employee performance, which may impact customer-orientation strategies positively or negatively. Customer-orientated performance as well as employee involvement and commitment are positively related to the level of profitability (Narver and Slater 1990; Jaworski and Kohli 1993; in Brown, Mowen and Licata 2002), and particularly in the services segment.

Literature on services marketing emphasizes crucial differences between services and goods businesses, which are extensively cited by many marketing authors: intangibility, heterogeneity, inseparability, perishability, as well as quality dimensions (Zeithaml and Bitner 2003). These specific characteristics pose challenges and complexities exclusive to the management challenges confronting service industries. They expose marketers and other administrators to specific problems and demand specific strategies that are different to those required in a goods industry (Zeithaml, Parasuraman and Berry 1985).

Intangibility

Services have no physical existence and cannot be seen, touched, noticed or felt in the same way that goods can. They are predominantly perceived as actions and performances. According to Bateson (1979, in Zeithaml, Parasuraman and Berry, 1985) intangibility is the first critical distinction between services and goods, from which all the others emerge.

Inseparability

It is not possible to separate production and consumption of services. Services are first sold, then produced and consumed simultaneously, unlike goods - which are first manufactured, then sold and consumed separately. The customer is present during the production process of most service providers; this is the case for personal trainers, medical staff, hairdressers, psychologists and others.

Heterogeneity

People are different from each other. Many employees can be in contact with one customer providing the same service in many different ways. One services worker can perform differently from day to day, from customer to customer. Services cannot be standardized in the same way as goods. Because services are predominantly actions and performance, their consistency is strongly influenced by service provider motivation, mood and behavior.

Perishability

Since services are basically performances, they cannot be stored. A table in a restaurant, a room in a hotel, or an hour's billing for a lawyer or consultant are services that cannot be stored for sale in the future if they are not used. It is difficult to balance supply and demand in the services segment. There is excess demand for beachfront hotels in the summer for example, but very little demand in winter.

Quality dimensions in services

Compared to goods, services business also presents specific dimensions in terms of customer perception of quality, which is based on trustfulness (gained through fulfilling promises, i.e. executing the service as promised), responsiveness (prompt attendance and ability to satisfy customer needs and expectations) security (depends on the service provider's ability to win credibility and inspire customer confidence) and empathy (the worker's ability to listen and understand the customer's wants and needs).

The literature shows that given these specific characteristics, services industry administrators need to elaborate and implement specific strategies to face typical services-sector problems. Stimulating appropriate behavior that leads an organization to achieve its aims, objectives and results is one of the most strategic actions for a services company.

1.2. Human Behavior in the Services Context

According to Zeithaml and Bitner (2003), employees in the services segment often play a role in marketing even when they are not aware of the fact. They are the main channel of communication between company and customer, so they play a crucial role by listening to information and interpreting it, as intermediaries between inflow and outflow of the organization's resources.

Since services are intangible, have no physical existence and cannot be seen or touched, the consumer's feelings and perception will depend in large measure on the performance of the service provider. There are certain services that involve one or another tangible aspect, such as the building and furniture in a hotel or an aircraft or seat in the case of an airline. But there are more critical cases too, in which the employees themselves are the service, such as consultants, doctors, lawyers, psychologists etc.

Several studies have shown that friendliness, enthusiasm and attention from a service provider have a favorable affect on customer's perception of quality. Customers are more satisfied when employees have the ability, desire and competence to solve their problems.

The ability of an employee to adapt to different needs and specific desires also affects the customer's perception favorably and builds confidence in the service. Adaptability may be defined as an employee's ability to adjust his or her behavior to the requirements of interpersonal interaction during contact with the customer. Research has shown that sales staff's performance correlates positively with their practice of adaptation during the sale and with the customer's perception during contact with employees (Hartline; Ferrel, 1996).

The performance of service providers, in turn, may be affected by their level of motivation level and by aspects of their personality. Brown et al (2002) developed a hierarchical model of the effects of personality in behavior (figure 1). According to this model, basic personality traits combined with a specific context in which the services worker carries out the job, are predictive of surface personality traits or dispositions, inclinations or behavioral tendencies in this context.

Fig. 1: Hierarchical Model of Customer Orientation
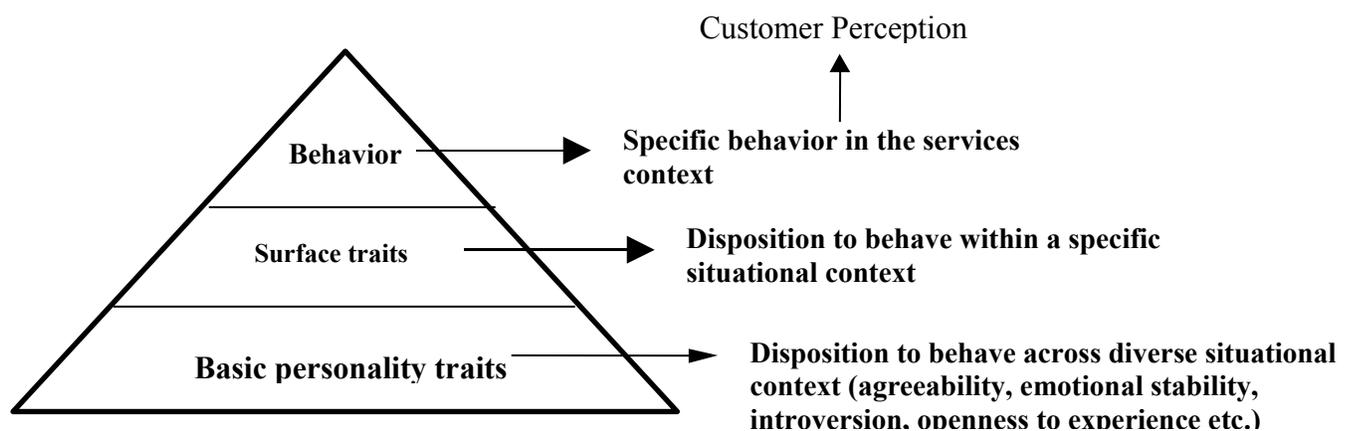
Source: Authors, based on hierarchical model proposed by Brown et al. (2002).

Brown et al. (2002) showed that emotional instability or changes in services professionals' moods exercised a negative influence on activities related to customer orientation, and consequently on customer perception and satisfaction in relation to the service provided. Emotional unsteadiness may be associated to weakened ability and/or lack of motivation to serve customers well.

In the context of services, due to the impossibility of separating the time of production from that of sale and consumption, there are high levels of interactivity between production and marketing, marketing and customer, and production and customer. One and the same employee may fill roles in production, marketing and sales.

Since personalities and human behaviors are heterogeneous, different employees may deliver the same service in different ways, or again the same person may deliver the same service at different levels of quality and consistency depending on the type of customer, emotional state and other variables that intervene in his or her interaction with the customer. These variations give rise to problems of consistency and quality of service.

Regarding the dimensions of quality in services, again it is the performance of the service provider will directly affect the customer's perception, since we may state that all dimensions of quality are translated in human behavior. Depending their on emotional state or degree of motivation or dissatisfaction, the employee may or may not execute the service as promised, respond or not to expectations, have or not have personal disposition to assist the customer, pay attention or not to listening to the customer and grasping what he or she wants or needs.

Besides internal factors specific to the individual such as personality traits, emotional state and level of motivation, there are external factors that influence his or her behavior and consequently performance.

1.2.1. Influence of people management model on worker behavior

A people management model, according to Fischer (2002), is the way in which a company is organized to manage and guide human behavior at work. Besides policies, rules and procedures, we may view the components of an management model as everything that intervenes in organizational relationships, highlighting certain factors as conditioners, such as culture and organizational structure, the way work is organized, the product or service being offered and the technology used. All these components of a management model are resources that allow the firm to mold, direct and channel human behavior. This channeling may be favorable or unfavorable to implementation of strategies designed to reach the organization's objectives.

Fischer also adds that although the Utopian and rather worn out jargon that people are increasingly valued by organizations is largely present in organizational discourse, companies are not being humanists by introducing reward programs, motivation and valorization privileging the human element to the detriment of other organizational values. What they are doing is defending their interests and attempting to get results.

To a greater or lesser extent, all companies depend on human performance as a factor in differentiation and competitive advantage, and they may act on the behavior of their staff through a good and appropriate management model.

No organization has the capability to offer quality services and good customer service regardless of its employees.

1.2.2. Influence of Leadership Style

Hartline and Ferrel (1996) conducted studies of the management of contact between service providers and their customers; they sought to evaluate two aspects: a) the behavioral and attitudinal responses of professionals in contacts with the customer that may influence customer's perception of quality of service and b) the relationship between these responses and certain management control mechanisms such as: employee autonomy, evaluation of the employee's basic behavior and management commitment to quality of service.

The results showed that managers, or rather leadership style, can influence employees' responses, in the sense of improving quality of service, thus showing that employee's responses influence customer perception in relation to quality of service, positively or negatively.

The authors agree that traditional management functions should adapt to the peculiar characteristics involved in service businesses. Management should involve employees in planning and organizing activities; they should recognize that employees' working environments have a strong influence on how the customer will receive the service.

One way of easing these conflicts is to emphasize behavioral criteria in performance evaluations. This is so because it is easier for employees to control their own behaviors than the results related with work. Evaluations of behavior give employees a better chance of control over his performance, which helps to diminish conflict. Emphasis on the behavioral aspects, with critical and objective analysis of performance and appropriate feedback stimulates the employee to adapt to changing customer needs, reduces ambiguity and adds to job satisfaction.

Professionals in leadership positions should be committed to enhancing quality of service by granting autonomy and conducting evaluations of behavior, performance and development of the people they are coordinating. The discoveries of Hartline and Farrel (1996) underline the fact that behavioral and attitudinal responses of employees during contact with the customer are foremost as decisive factors in the customer's perception of quality of the service provided.

Management should also be aware that situations of ambiguity and conflict typical of the services sector as well as human resources policies and practices may also impact employees' performance and directly influence experiences of customer service.

1.2.3. Emotional Work

The work of services professionals requires much more than physical and mental abilities - much emotional work is involved. Employees must be courteous and cordial, show interest and manage the customer's bad moods. They must be constantly smiling regardless of their personal problems or inner feelings. Besides all this, the services professional has a stressful role since he or she constantly meets with situations that develop into new sources of conflicts such as: conflicts between the actual person and the roles fulfilled, between the customer's interests and those of the organization represented, conflicts involved in trade-offs between quality and productivity or conflicts between customers in situations in which the services provider attends to one customer in the presence of another. (ZEITHAML; BITNER, 2003.).

Zeithaml and Bitner (2003) also argue that the frustration and dissatisfaction caused by these conflictive and ambiguous situations, if not dealt with, may lead to stress, job dissatisfaction, diminished ability to service the customer, and serious health problems.

Price, Arnould and Tierney (1995) studied typical stressful situations in service encounters and looked at three dimensions: a) duration of the service encounter, b) the affective content involved in the interaction of the service provider with the customer in this encounter and c) spatial proximity creating a more intimate situation.

Longer lasting service encounters, according to these authors, enable service provider and customer to develop a higher level of affectivity. Also the fact of both being in a situation of spatial proximity for a longer period propitiates the development of greater intimacy in the relation. The characteristics of this type of encounter are summarized in table 1.

Price et al. argue that services encounters of this type require service providers to assume roles more typical of a friendship relation than of a commercial relation, which favors their involvement in greater emotional work. Providers must appear to be authentic for a longer period of time, regardless of their true feelings. Successful service providers use a lot of emotional energy to "orchestrate" service encounters and reach their goals. They have to do this not only to reach their goals, but also to control the customer's interventions in the script, which may upset mutual understanding and threaten satisfaction.

The emotional work required in each encounter may lead to emotional fatigue and stress. Conflicts may arise from negotiations concerning the boundaries between commercial and personal relationships. Again in this work it has been shown that performance of service providers is crucial to affective responses and satisfaction with the service.

Price et al. showed that the most successful service providers manage to deal simultaneously with acceptable objectives for an encounter in view of social diversity, while tackling the emotional content encounters involve and any interferences in the script. Furthermore, the service provider should be authentic and behave like a friend. So this type of service encounter features more characteristics associated with friendship than with commercial relationships.

1.2.4 – Performance and Company Results

Unsatisfied and unmotivated employees will hardly perform their activities at a high level of quality or concern themselves with ensuring customer satisfaction. As Heskett *et al.* argue (1997), satisfied employees generate satisfied customers and satisfied customers then reinforce the employees' feelings of satisfaction, thus motivating them to look for continuous improvement in carrying out their activities. They add that although there are strong correlations between level of quality of internal services (people management systems, human resources policies and practices, organizational climate), workers' satisfaction, loyalty and productivity, and the value of services delivered to customers, fidelization and the profits of the organization, as shown in figure 2.

Figure 2: Chain of profits in services
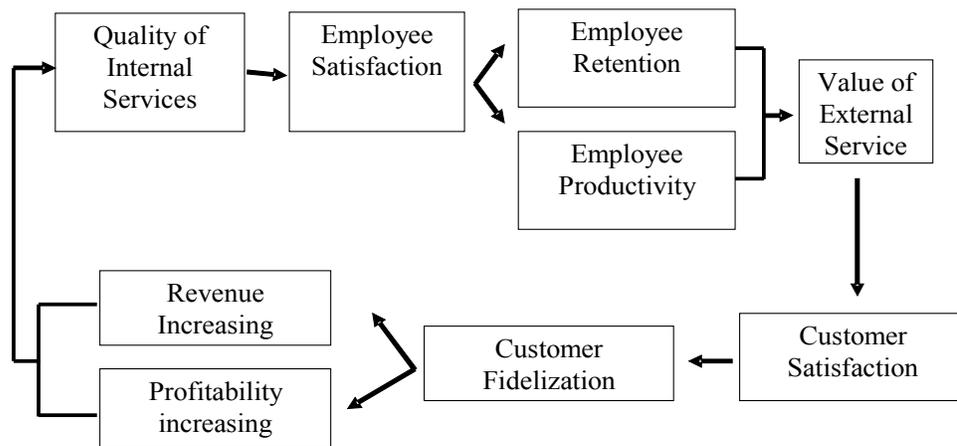
Source: Adapted from Heskett *et al.* (1997)

Zeithaml and Bitner (2003) state that a survey conducted by *Fortune* magazine found that among the largest companies in the United States, the ones doing best in the ranking of the 100 best companies to work for also distributed higher average profits to shareholders than the others.

1.3. Human Resources Management

Over the last few decades, alongside the major transformations in the business world, there have been major changes in ways of managing people, and in the profiles of professionals required by companies.

The focus on people management shifted from management through control toward management through mutual development. An autonomous and entrepreneurial profile is preferred to an obedient and disciplined profile. Currently we value professionals for their differentiated knowledge and abilities, and appropriate attitudes, who can translate all this in substantive results. These changes brought the need for an environment of incentives and support for initiative, creativity, the quest for results for the organization, the full commitment of the individual with the organization, their muscles, intelligence, creative potential, intuition, capacity to interpret context and act on it to generate competitive advantages (DUTRA, 2001).

Professionals with this profile of competences, motivated to apply them for benefit of developing a business, combined with an organization that offers contributions to personal growth, will certainly get surprising results in any sector. However in the service sector this becomes even more crucial, due to the particularities discussed above.

One of the best ways of assembling a team of this nature is hiring the right people - with the appropriate competences for the culture of the organization and the objectives of the business. So companies are increasingly concerned to appear as attractive prospects in the job market in order to attract professionals. According to Zeithaml, Barry and Parasuraman (1985) , this involves competing for a share in the job market, which means using marketing tools to attract the best talents.

It is not enough, however, to be good at hiring and selecting. It is necessary to invest constantly in developing people. The market, the scenario and the complexity of the external environment are changing fast and this requires people who are also constantly developing, learning, unlearning and relearning. Organizations depend on the knowledge and skills of individuals to build up organizational knowledge and create competitive advantage. The training and development of their employees, as well as all the other human resources systems and policies may be used as strategic resources for channeling human behavior toward greater competitiveness.

 Human resources systems alone, however, are not enough. It is also necessary for support systems to favor implementing customer oriented strategies, such as information technology, and appropriate rules and procedures. Another important point is a method of work that guides and directs services to ensure a minimum degree of standardization that the particularities of the segment require. What is indispensable is a flexible organizational structure that facilitates the flow of information and processes to best meet demand in the market and respond appropriately to the complexities of the business environment.

It is not possible, however, to reach a favorable result just by using one of the strategies proposed. They have to be complementary and only make sense if implemented in an integrated manner.

Base on approaches in the literature, this paper looks at a case study of the impact of human behavior on the implementation of strategic customer oriented measures in a services company in the segment of consulting and legal advice.

2. PRESENTATION OF STUDY AND ANALYSIS OF RESULTS

This study examined a Brazilian company in the consulting services and legal advice segment, whose name will be omitted. We shall call it Sigma in order to maintain confidentiality.

Sigma consists of six businesses units with approximately 300 employees, 60% in the technical areas (consulting and legal advice) and 40% on the administrative side (financial management, Information Technology and Management, Marketing and Human Resources). It has over 100 business partners around the country, thus extending its reach throughout Brazil.

After less than 20 years in business, the company has reported excellent growth rates, particularly over the last 5 years. On the basis of data published by the business daily *Gazeta Mercantil* (Sector Analysis, February 2002, Volume I - Structures and Market) this company ranks in the eight largest Brazilian companies in the segment.

In early 2002, after reviewing its trajectory and analyzing the market, the senior management defined its main aim as conquering market leadership and set medium- and long-term targets. The medium term goal was to be among the top five in the ranking of the largest companies in the segment by 2005.

The strategy proposed to reach the goals consisted of involving a larger number of professionals in more actions designed to expand business, in other words to be the sales force, a task which until then was concentrated on a small team consisting of five professionals, two of which were partners in the company. The founding partner coordinated this team.

There was recognition of the need to implement both maintenance and development strategies. The survival strategies involved actions to consolidate the image of the company with current customers and have close relations in order to foster fidelization. The development strategies sought to foment growth and thus reach the organizational aim of conquering leadership.

In March 2002, Sigma hired a marketing professional whose professional experience was developed in the industrial sector, largely in a multinational manufacturing photocopiers and a world leader in the sector.

This professional's main mission, in line with the strategy for materializing organizational objectives, was to implement the project of multiplying the sales force.

Also recognized was the need to structure a new people management model in line with the new vision and new course for the business. This model would favor implementing organizational change strategies and actions to realize objectives. Hiring of the new professional to manage human resources initiated the process of reviewing and remodeling the existing management system.

The two main focuses for strategic actions were therefore in the marketing and human resources areas. All areas of the firm were devoted to developing systems and programs in line with the strategic planning, which were analyzed by senior management, approved and implemented in accordance with the timeline shown in chart 1.

Some 18 months after the creation of the marketing department, the results were nowhere near what had been planned. This fact gave rise to the questions that motivated this case study:
1) What was the reason (or reasons) the project as implemented failed to obtain the results intended?
2) How was the project idea posed and received by the team involved in implementation?
3) Why was the team not engaged in striving to meet the objectives posed?

The following sources were used in the research: brain storming with management, guided interviews with marketing management and members of the team implementing the project, documentary analysis (content and structuring of the program, action-plan timelines, reports of indicators from the marketing department, results of surveys conducted by HR, and sector analysis publications) and direct observation.

Q. 1 –**Marketing and HR initiatives - timeline**

	MARKETING	HUMAN RESOURCES
Ending 2002 Early 2003	Board to review and re-orient business plan	
March 2002	Marketing manager hired Marketing department created	
April 2002		
May 2002	Structure customer orientation program / assemble implementation team	
June 2002	Implement customer-oriented program	
July 2002	Weekly follow-up meetings	HR Management - new concept
August 2002		Collecting information / knowing the firm
September 2002		Scheming organizational mission, values, objectives & Strategies / date analysis
October 2002		Preparing sensitization and involvement program for all employees
November 2002	1st customer satisfaction survey	
December 2002	Analyze results of 1st customer satisfaction survey	Workshops – 1st cycle sensitization, information sharing
		Organizational Environment survey
January 2003		Elaboration of competences-based management system according to organization culture objectives and strategies
February 2003		
March 2003		
April 2003		Workshops – 2nd cycle - Exposure program and training people in competences-based-system
May 2003		
June 2003		Identifying individual competences status
July 2003	2nd customer satisfaction survey	
August 2003		
September 2003		Draw up training and development programs based on competences status
October 2003	Analyze results: much lower than expected	Involve HR in strategic marketing plan to investigate reasons for these results.
November 2003	Redesign program	

2.1. Context of the Consulting and Legal Advice Segment

Most Brazilian companies in this segment are small and family owned. Surveys show that few have grown to the point of becoming majors and most have only recently began to realize the need for a human resources department.

Marketing actions are extremely restricted by the code of ethics of the Brazilian Bar Association, which regulates the performance of this professional category. Among its rules is a ban on ads, publicity or other initiatives designed to attract customers, thus prompting legal professionals to adopt a passive attitude. The content of the ethics code is discussed with students

throughout their degree courses; professionals have internalized these concepts by the time they are qualified to act in the market. This hinders companies seeking to transmit their name and image without breaching the ethics code.

There is now a consensus among companies in the segment that the ethics code must be reformulated and made more appropriate for the current context. The situation becomes more critical as international companies, who are not affected by this type of restriction, have begun to operate in Brazil and pose stiff competition.

2.2. Customer-Oriented Program (Maintenance & Development)

The program was structured on two lines: M-maintenance and D-development, initially involving Sigma's two largest business units.

The M-line, of a maintenance character, involved working to expand and improve relationships with customers. In order to do so, the program contemplated relationship initiatives such as: monthly relationship visits, building a bigger knowledge base on the customer (branch of business, segment of performance, culture, etc.), more knowledge of the contact persons at customers, greater customer perception of the differentiated service delivered by Sigma, and periodic surveys to monitor customers' satisfaction levels.

The D-line posed development initiatives and focused on the creation of new services and opening up new business. The creation of new services requires constant updating on changes in legislation, knowledge of the market and customers, their business and their needs. Much of this knowledge could be acquired on the basis of the initiatives taken in the M-line.

The development of new business focused current customers who could be interested in additional services to those they already used, and potential customers, who had to be won. The latter posed the greater challenge. Due to the restrictions imposed by the ethics code, extra precautions had to be taken in transmitting the company's differentials (quality, reliability, security and speed in proposing effective solutions) without using a direct approach. It was decided she to invest in articles and interviews for business publications and media (newspapers, magazines, journals, television etc.), and to provide courses and lectures for business and academic circles.

Thirty professionals were selected to compose the implementation team. Among them were the three professionals from the former team led by the founding partner. Each professional on this new team took responsibility for a group of customers (current and prospects), for which he or she would be the company's contact person, and would act to implement maintenance and development initiatives as defined in the project. Monthly visits to customers and prospective customers were also planned.

Weekly meetings were held with the whole team involved in the project to monitor and facilitate maintenance and development initiatives. These meetings were meant to make room for reports of customer visits by the professionals involved and to provide conditions for sharing news, experiences and knowledge related to customers, the program itself and Sigma's business. They were led by the marketing manager, whose role was to be a facilitator and advisor for the professionals, who had little or no experience of the activities determined by the program. A weekly event was created, coordinated by the partner responsible for each unit, with the aim of guiding the professionals and encouraging them to create material for the media and get exposure for the company's institutional image.

The D-line also involved seeking closer relationships and partnerships with companies of similar segments in order to expand the potential for contacts with new customers through mutual references. These initiatives were to be under the responsibility of the senior management body.

2.2.1. Results of the Program

M-line: Monitoring activities and the evolution of results was based on the information collected at the weekly meetings and the periodic customer satisfaction survey, which consisted of 12 questions. Customer's evaluations vary from 1 to 6, with 1 the lowest level of satisfaction and 6 the highest. Scores from 4 to 6 were classed as favorable responses. The results of the first two surveys were not very impressive, as shown in chart 2.

Chart 2: Comparison of customer satisfaction survey results.

	Issues raised in the questions	Trend	2002	2003	Difference.
1	Speed and effectiveness of solutions proposed	-	96.85	90.90	-5.95
2	Knowledge of customer's business	+	90.83	93.93	3.10
3	Speed and responsiveness in service / facility of contact	-	96.96	87.87	-9.09
4	Personal relationship skills	+	93.93	99.99	6.06
5	Meeting deadlines	+	81.77	84.84	3.07
6	Quality of services	neutral	93.93	93.86	-0.07
7	Punctuality in scheduled commitments	+	87.87	90.83	2.96
8	Proactivity	neutral	90.83	90.76	-0.07
9	Consistency of information provided	-	99.99	96.96	-3.03
10	Reactions to requests for improved service	-	93.93	87.87	-6.06
11	Representation of customer's interests	-	93.93	90.90	-3.03
12	Integrated view of affairs managed by Sigma	neutral	90.90	90.90	0.00
	Average score		92.64	91.63	-1.01

The results of the first survey, which was conducted in 2002, at the beginning of the project, showed a high customer satisfaction index in relation to the subjects raised on the questionnaire (over 80%). This high score may be due to the nature of the sample, which involved only the 40 most important customers. Since they were the most significant customers, they may have been getting differentiated treatment, even without a formal and structured service orientation. However, even for a small sample, the results do indicate that customers' perceptions of quality of services were already positive before deploying maintenance initiatives.

Comparing the results of the first two surveys, the trend on average was favorable, although by a very small amount (1.01 percentage points). Highlights were the negative trend revealed for the items speed and effectiveness of solutions proposed, speed and responsiveness in service / facility of contact, consistency of information provided, reactions to requests for improved service and representation of customer interests.

D-line: the only initiatives to achieve the results expected for them were those under the responsibility of the senior management body, i.e. those related to conveying the institutional image in the media and creating new business through developing relationships and partnerships.

The results obtained through maintenance and development initiatives fell short of what had been expected - these were under the responsibility of the implementation team. Metrics were only available as of the month of April 2003 (chart 3). The following indicators were used as measurements: creation of new services, participation in weekly meetings, number of visits to current and prospective customers, number of proposals issued and number of proposals accepted.

Chart 3: Indicators of development initiatives

Period: April to October 2003			
	CUSTOMER VISITS	PROSPECT VISITS	PROPOSALS	ACTUAL SALES
April	61	13	25	8
May	60	11	24	9
June	62	12	26	8
July	78	12	52	12
August	63	18	11	4
September	77	21	88	12
October	99	19	18	4
Total b	500	106	244	57
				23.36%

2.3. Hypotheses

A brain storming session with top management produced a number of suggestions as to possible causes for the problem. The hypotheses posed were: unsatisfactory results were due to 1) problems related to the scope and structure of the program, 2) incompetence on the part of professionals in the implementation team 3) lack of preparation of professionals on the implementation team 4) lack of leadership preparation 5) leadership style problems and 6) ethical precepts of the profession

2.4. Interviews

Marketing management was interviewed on the general context of implementing the program. The professional concerned thought that the reason for the results centered on 1) the lack of an aggressive variable remuneration policy to stimulate professionals to obtain results, 2) lack of preparation and 3) resistance from lawyers to the idea of marketing services, due to the ethical precepts of the profession.

Members of the implementation team - at the time there were 26 professionals, of whom 13 were interviewed. In terms of professional seniority, at the time of this study, the team consisted of 26 professionals, of whom eleven were seniors, six full and eight juniors. I interviewed eight seniors, three full and two juniors. The results are shown in chart 4.

Chart 4: Results of interviews with implementation team members

90%	considered weekly periodicity inappropriate and time-consuming - some lasted half a morning or afternoon period, sometimes an entire period.
100%	saw the meetings as unproductive due to an excessive focus on indicators to the detriment of discussion, exchange of information and guidance.
100%	described the project leadership style as controlling and bureaucratic.
20%	reported feeling embarrassment when attempting to schedule visits with an unwilling customer, and felt it was unfair to be penalized for something they had no control over.
60%	mentioned that problems, when raised, are merely recorded whereas they should be discussed with guidance and solutions.
40%	wished that the leadership would work with the team to prevent rather than correct problems
100%	agreed that many people on the team required training and preparation.
30%	thought that marketing management had good experiences they would like to share.
100%	mentioned that the project lacks credibility and people were not involved or committed
30%	said the project leadership lacked knowledge of the business
100%	raised the lack of financial or non- financial incentives
60%	said the leadership was not sufficiently open to listening to people and analyze opinions other than its own. People were no longer putting forward ideas and suggestions and were acting mechanically.
80%	admitted they lacked development in the competences of market and customer orientation, and showed readiness to take steps to develop
100%	felt that the focus of their work (legal activities) was being harmed by an excessive amount of parallel activities.

2.3. Human resources initiatives

At the same time as the marketing program was being implemented, the human resources department took steps to develop and implement the new people management system. These steps are being raised in this study since they constitute important sources of information for an understanding of the results and for redesigning the marketing program

In the context of a company such as this, the fact that the raw materials for its products consists of people and their knowledge magnifies the importance of the Human Resources department, its policies and its development programs. (Sarvary 1999). Systems should be designed in such a way as to favor achieving intended results. Therefore the project for the new management system began by recognizing and understanding organizational dynamics based on data collected through convergence from different sources (Yin, 2001), as follows:

- open-ended interviews with all members of top management (100%),

- interviews with staff who had been with the company for over 5 years,
- direct and participative observation,
- documentary analysis involving policies, rules and procedures, content of lectures and internal training courses and results of termination interviews and
- a survey of organizational climate conducted by an outside consultant through semi-structured interviews and workshops involving 90% of the staff

The data thus collected prompted some very important and illuminating conclusions. Those reproduced here are the items directly related to the results of the implementation of the marketing program.

The results point to a need for organizational culture change, to move from an essentially technical and segmented mentality toward a systemic vision focused on the market; from management focused on controls and processes to a concept of viable systems focused on results; from a centralizing management style to a structure of self-governing teams.

The data showed that the mission, vision, principles and values, as well as the strategies and organizational objectives were the domain of senior management alone. In other words, there was no shared vision as to the significance, meaning or direction of the organization. They also indicated that the organizational culture, the centralizing management style and the natural resistance of human being to change constituted restrictions for an environment conducive to implementing customer-oriented strategies. They also indicated the lack of preparation of the professionals in relation to taking steps to ensure implementation of customer and market-oriented strategies.

The Human Resources team developed a competences-based management system. The competences model involves the ideal profile for professionals in line with Sigma's businesses strategies and aims.

Two cycles of workshops followed: The first cycle was held in December 2002, with two objectives: a) developing a shared vision of the mission of the company, its principles and values, organizational objectives and strategies to reach them and b) setting the context of the complexities of the globalized business environment, the demands of Sigma target market and the position of the competition. The second cycle was held in April-May 2003. The aim was to present and explain the competences model, which defines the profile that should guide the professional development of Sigma collaborators. Among the competences defined in the model there was a set of competences related to customer and market orientation.

The process of mapping individual competences was carried out in July 2003. As part of this process, collaborators were analyzed and appraised on the basis of the model. The results of this study indicated a differentiated level of technical competences, but also pointed to the lack of the professionals' preparation in customer and market orientation competences, confirming the data from the first survey conducted by the HR department. Feedback interviews to guide the development of the collaborators appraised took place in August-September 2003.

3. CONCLUSIONS

On the basis of analyzing the data collected, there was a temporary disconnect between marketing and human resources initiatives. The survey data used as the basis for preparing the people management system posed information relevant to the appropriateness or otherwise of the profiles of professionals to the customer and market orientated activities defined in the program. However, these results relate to late-September 2002, when the implementation team had already been working with the COP (customer orientation program) for 5 months.

The leadership style, as shown by the interviews with members of the COP team, fundamentally affected the outcome of the program and influenced the behavior of the team. Resistance to the leadership is clearly seen in responses 9 -14 (chart 4). As Hartline and Ferrel argue (1996), traditional management functions must be adapted to the services context; leaderships must involve employees in planning and organizing service activities. In the case studied here, the program was simply presented and responsibilities allocated to professionals, which contributed to lack of involvement and commitment to the project.

Lack of knowledge of legal business, plus experience focused on marketing products rather than services, may have caused feelings of insecurity for the project leader. This feeling, as a surface personality trait, may have accentuated his controlling and bureaucratic tendencies (Brown et al. 2002), thus prompting resistance from team members.

Team members, for their part, felt insecure about activities related to customer and marketing orientation, for which they felt they were not prepared due to the technical focus of traditional legal activities - as shown by item 4 (chart 4) with 80% of respondents stating they needed to develop further. The members of the small team led by the founding partner, prior to implementing the COP, belonged to the 20% who felt comfortable with the new attributions. Although there were no metrics (in the first year of the project) results were sparse indeed. When measurements started, the act of recording and announcing the indicators further highlighted the deficiencies of most professionals. When they were exposed, people started to take action to produce numbers. They began to make visits and issue numerous proposals. This was clearly seen in the fact that only 23% of proposals issued became actual sales. These 23% refer to the results generated by the 20% more experienced members.

According to the hierarchical personalities model of Brown et al. (2002) feelings of insecurity - either in the leadership, prompted by working in a new environment, or in team members prompted by assuming responsibilities for which they felt they were not prepared - led to controlling behavior on the part of the leadership and initially resistance followed by passivity (item 12, chart 4) on the part of the team.

Team members evolved from resisting change to passive and mechanical attitudes. Discouraged and unmotivated, they merely worked to cover the minimum required, just enough to survive in the company. There was no significant alteration in customer's perceptions in relation to services and the impact on results confirmed the theory of the profits chain in services posed by Zeithaml and Bitner (2003), according to which there are strong associations between the level of quality of services, satisfaction, workers' loyalty and productivity, the value of services delivered to customers, customer fidelization and profits of the organization.

Feelings of insecurity due to lack of preparation for new activities, and the resistance to a new working style prompted by an inappropriate leadership style, had an impact on results arising

from the program's initiatives. This impact is seen in revenue falling well short of the expected number.

As Zeithaml and Bitner argue (2003), there are situations in which the employee is the service itself, and this applies to the case studied here. If the situation requires lawyer to build a commercial relationship with the customer and if this lawyer identifies with his ethics code and believes that lawyers should not sell services, then there will emotional work arising from conflict between the person as he is (beliefs and values) and the role he has to play.

The influence of the management model on the behavior of people, as Fischer argues (2002), was clearly seen in the feelings of team members that the effort of involvement with the project was not compensated by financial or non- financial incentives. This feeling contributed to the team's not making an effort to overcome the problems pointed to above.

However, of all of the aspects discussed here, the one that had most impact on the results expected from the COP (customer oriented program), was the style of the leadership. This was shown in the result of the interviews with team members (chart 4). Of the 14 items raised, six were directly related to leadership (items 9 -14) and three indirectly (items 1, 2 and 6). People admitted to their lack of development and were willing to work to correct their shortcomings (items 5 and 7). They also expected support and guidance from the leadership in order to develop (items 9 -11). Recognizing the need to develop customer-oriented competences also pointed to their overriding the implications of their ethics code, as well as to potential conflicts between persons and roles.

The COP (customer oriented program) project is currently being redesigned and adapted to the real situation evinced by the results of this case study, which will provide an opportunity for further research.

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ANÁLISE SETORIAL GAZETA MERCANTIL 2002 (Sector Analysis, Gazeta Mercantil)

CODE DE ÉTICA DA OAB (Brazilian Bar Association, Ethics Code)